

Transcript of  
Jumia Technologies AG  
Jumia 1Q 2026 Earnings Call  
May 7, 2026

**Participants**

Francis Dufay - CEO, Jumia Technologies AG  
Antoine Maillet-Mezeray - EVP Finance & Operations, Jumia Technologies AG

**Analysts**

Jack Halpert - Cantor Fitzgerald  
Brad Erickson - RBC Capital Markets  
Ryan Sigdahl - Craig-Hallum  
Fawne Jiang - The Benchmark Company

**Presentation**

**Operator**

Good morning, ladies and gentlemen. Thank you for standing by. Welcome to Jumia's Results Conference Call for the First Quarter of 2026. At this time, all participants are in a listen-only mode and after the management's prepared remarks, there will be a question-and-answer session.

With us today are Francis Dufay, CEO of Jumia and Antoine Maillet-Mezeray, Executive Vice President, Finance and Operations. We will start by covering the safe harbor. We would like to remind you that our discussions today will include forward-looking statements. Actual results may differ materially from those indicated in the forward-looking statements.

Moreover, these forward-looking statements may speak only to our expectations as of today. We undertake no obligation to publicly update or revise these statements. For a discussion of some of the risk factors that could cause actual results to differ from the forward-looking statements expressed today, please see the Risk Factors section of our annual report on Form 20-F as published on February 24, 2026 as well as our other submissions with the SEC.

In addition, on this call, we will refer to certain financial measures not reported in accordance with IFRS. You can find reconciliations of these non-IFRS financial measures to the corresponding IFRS financial measures in our earnings press release, which is available on our Investor Relations website.

With that, I'll hand the call over to Francis.

**Francis Dufay - CEO, Jumia Technologies AG**

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Good morning, everyone, and thank you for joining Jumia's first quarter 2026 earnings call. 2025 was the year we demonstrated the resilience and scalability of our model. And '26 is the year we plan to demonstrate our path to profitability. Q1 '26 showed that our momentum towards profitability is continuing and in several important ways accelerating. Over the past few years, Jumia has been building an e-commerce model designed specifically for Africa, adapted to the unique structural, supply, logistical, and consumer realities of our markets. In 2025, we proved that this model delivers scale with improving economics, and Q1 '26 confirmed that the flywheel is turning. This foundation drove our strong operating momentum in the first quarter. GMV grew 32% year-over-year, adjusted for perimeter effects. Growth was broad-based across our core markets, reflecting the continued strengthening of our marketplace fundamentals and efficient execution.

Profitability metrics continue to move in the right direction. Adjusted EBITDA loss narrowed to \$10.7 million from \$15.7 million in Q1 '25. The business absorbed higher volumes with increasing efficiency while maintaining a disciplined approach on costs. Excluding the one-time cost related to our Algeria exit in February '26, adjusted EBITDA loss would have been \$9.7 million, reflecting an underlying improvement of 38% year-over-year in our core business.

Based on the progress we made in '25 and the momentum continuing into Q1 '26, we remain focused on achieving our target of adjusted EBITDA breakeven and positive cash flow in the fourth quarter of 2026 and delivering full-year profitability and positive cash flow in '27.

I should also note that we are monitoring the broader macro environment, including cost increases in memory chips and the ongoing geopolitical tensions in the Middle East, as well as their potential effects on global supply chains, shipping costs, and commodity prices. While we have observed limited impact on our business to date, we remain attentive to downstream risks, including potential pressure on smartphone components availability and transport costs.

We believe the resilience of our model and diversity of our supplier base positions us well to navigate this uncertain environment. Notwithstanding these external matters, we reiterate our guidance for 2026. Let me walk you through the key highlights of the quarter. Usage trends remain strong across our platform. Adjusted for perimeter effects, physical goods orders grew 31% year-over-year, driven by expanding in-country geographic coverage, improved assortment, and sustained consumer demand.

Our focus remains clearly on physical goods, which accounted for nearly all orders in GMV this quarter. Digital transactions through the JumiaPay app now represent a residual share of our orders as we continue to prioritize transactions with stronger economics. Relatedly, TPV and Jumia payment gateway transactions have become less meaningful as indicators of our operating performance and effective as of the first quarter of '26, we will discontinue the quarterly disclosure of these KPIs.

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Adjusting for perimeter effects, quarterly active customers increased 25% year-over-year, reflecting continued traction in both acquisition and retention. Repeat behavior continued to improve, with 47% of new customers from Q4 '25 making a repeat purchase within 90 days, up from 45% in Q4 '24.

Demand was broad-based across electronics, home and living, fashion and beauty, and consistent across most countries, reflecting a similar quality of execution and inputs across our markets. Adjusted for perimeter effects, GMV grew 32% year-over-year in reported currency. Average order value for physical goods increased to \$36 from \$35 in Q1 2025.

Revenue totaled \$50.6 million, up 39% year-over-year, driven by higher usage and improved monetization. First-party sales represented 46% of total revenue, supported by continued strength from international partnerships, including Starlink in Nigeria and Kenya. Now turning to profitability. The progress made over the past three years continues to translate into measurable operating leverage. Cost improvements across General and Administrative, technology, and fulfillment are structural.

In addition, we renegotiated third-party logistics contracts in February and March and implemented increases in commissions and take rates across most countries in mid-January '26. This reflects the scale of our platform and improved service levels delivered to sellers. Importantly, these commission increases had limited impact on growth, validating our strategy of progressive monetization increases on the back of greater volumes and better seller experience.

We also drove meaningful growth in higher-margin revenue streams, with marketing and advertising revenue up 44% year-over-year and value-added services revenue nearly tripling, which both reflect improved platform monetization. These changes are consistent across markets and reflect stronger marketplace fundamentals. Fulfillment cost per order was \$2.06, flat year-over-year on a reported basis or down 10% year-over-year on a constant currency basis.

This reflects productivity gains and economies of scale in fulfillment operations, increased call center automation, and improved logistics partner rates. Most fulfillment operating expenses are incurred in local markets and denominated in local currencies. Technology and content expenses declined 8% year-over-year, reflecting ongoing headcount optimization, automation, platform simplification, and the benefit of renegotiated seller agreements, including cloud infrastructure.

As a result, adjusted EBITDA loss narrowed to \$10.7 million from \$15.7 million in Q1 '25. Loss before income tax was \$17.8 million, an 8% increase year-over-year or 21% decline on a constant currency basis, primarily reflecting non-cash foreign exchange losses. Quarterly cash burn increased to \$15.3 million in Q1 '26 compared to \$4.7 million in Q4 2025. The shift from the previous quarter is consistent with typical seasonal dynamics.

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This compares favorably to the \$23.2 million decrease in liquidity in Q1 '25, demonstrating improvement in our financial trajectory. Now turning to operational highlights and execution at the country level. Q1 '26 demonstrated continued execution strength across our markets. Supply fundamentals remained solid, with improvements in both local and international sourcing. Growth was supported by strong performance across multiple categories, with fashion and beauty among the top contributors to items sold growth year-over-year and with international items continuing to gain share.

Efficient marketing deployment, including CRM, paid online, SEO channels, supported customer acquisition at attractive unit economics. In the first quarter, we sourced 4.9 million growth items internationally, up 87% year-over-year, adjusted for perimeter effects. This reflects the continued scaling of our Chinese seller base as well as growing volume from our supply base from affordable fashion in Turkey.

Operationally, we continued to extend our reach beyond major urban centers. Orders from upcountry regions accounted for 62% of total volumes, up from 58% in the prior year quarter, both adjusted for perimeter effects. These regions are delivering strong growth while benefiting from a cost structure that scales efficiently with volume.

In secondary cities, we are addressing clear customer pain points, including limited product availability and elevated prices from local traders. As a result, our value proposition continues to resonate strongly, driving both adoption and repeat purchase. Now at the country level, Nigeria delivered a strong quarter. Physical goods GMV increased 42% year-over-year. Sustained growth was driven by a broad range of categories, with home and living performing particularly strongly alongside continued traction from upcountry expansion, where a large part of the addressable market remains untapped.

We opened over 80 additional pickup stations during the quarter, further extending our delivery network. I should note that Nigeria experienced a significant increase in local fuel prices during March, which created headwinds in our 3PL cost negotiations. However consumer demand remains sustained and strong. Kenya performed strongly, with physical goods GMV up just below 50% year-over-year. Performance was driven by continued strong supply fundamentals and efficient marketing despite similar headwinds to other countries in the phones category.

Strong performance in home and living driven by local suppliers and in fashion driven by international suppliers more than offset the tighter supply in phones. Kenya remains a relatively under-penetrated market for Jumia, with vast opportunities upcountry, and we continue to invest in expanding our reach. Ivory Coast growth gradually moderated over the course of the quarter. Physical goods GMV was up 16% year-over-year.

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Growth was affected by two converging headwinds. First, supply disruption in appliances, which is market-specific, and in smartphones, which is a global dynamic, both felt directly in a market where we have our highest penetration levels. Second, a sharp decline in regulated cocoa farm gate prices, down nearly 60% effective in March '26, which reduced the purchasing power of a large share of the upcountry population. Cocoa is the primary export of Ivory Coast, and approximately 6 million people depend on it for their livelihoods. This is a meaningful demand-side headwind that we expect to persist in the second quarter. However, we remain confident in the fundamentals of our business in Ivory Coast, where we hold a very strong position with a trusted brand and healthy monetization. Egypt's performance this quarter confirmed sustained recovery.

Physical goods GMV grew 3% year-over-year, excluding corporate sales, which were still material in Q1 '25 but has since been deprioritized. Physical goods GMV grew 56% year-over-year, confirming genuine market-level recovery. Very strong dynamics on the supply side of our marketplace are driving top-line acceleration, supported by improved assortment and seller engagement.

Our Buy Now, Pay Later offering continued to gain traction with strong penetration in high-value categories. Egypt experienced a fuel price increase in March as well, which we are monitoring. However, core marketplace dynamics remain positive. We are also expanding our delivery network through pickup stations in more remote regions which are poorly served by physical retail. Ghana delivered an exceptional first quarter, with physical goods GMV increasing 142%, driven by upcountry expansion, a scaling of local marketplace, and strong supply from international sellers.

Ghana was largely unaffected by the disruption in the electronic segment. Our current focus is to continue building logistics capacity to sustain this rapid expansion with stronger customer experience and cost efficiency. Our other markets portfolio also performed well, collectively delivering 10% physical goods GMV growth. Uganda experienced a nearly one-week internet blackout during the quarter, temporarily impacting volumes, though the market still delivered growth for the period.

In February '26, we completed our exit from Algeria, which represented approximately 2% of GMV in '25. The wind down resulted in total one-time exit costs of approximately \$1 million, reflecting employee termination benefits and asset impairment, which were all recognized in our Q1 '26 results. Over the medium to long-term, this decision simplifies our footprint and improves operational focus, allowing us to allocate resources more efficiently towards markets with stronger growth and profitability profiles.

We have not seen significant changes in our competitive environment in Q1 '26. The softening of competitive intensity trends observed in the second half of '25 has continued, with competitive intensity remaining subdued across our core markets. The recent disruption of air freight going through the Middle East is expected to create headwinds for non-resident platforms that rely on direct international

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shipping, contributing to a more level playing field for locally embedded operators like Jumia. Most of our supply comes via sea freight, which was not impacted.

We are also seeing increased regulatory scrutiny on cross-border platforms across several of our markets, further reinforcing this dynamic. We are navigating an international environment that is evolving quickly, with two main developments having the potential to impact our business. First, the memory chips and CPU price increases. We saw a delayed impact on entry level phone prices and the availability of components for products like smart TVs taking place gradually over Q1. Phone prices increased by approximately 20% between late '25 and early April.

We do not see this as a fundamental long-term shift, but it is impacting our business in the near term as supply chains reorganize. Distributors remain temporarily reluctant to release fresh inventory, while prices may increase further, and older, cheaper inventory in some markets is still temporarily competing with our more recent supply. We are mitigating this by diversifying our supplier base for smartphones and scaling our marketplace across both local and international sellers.

Second, the war in the Middle East. The most immediate impact was the disruption of air freight through the UAE from Asia, which affected some smartphone distributors. Supply routes have since reorganized through other hubs. There are also delayed effects. Disruption to helium supplies creates additional uncertainty for chip production, and the majority of our markets have seen fuel prices begin to rise from March, which is expected to weigh on local logistics costs, particularly for middle-mile trucking operations run by our local partners.

The impact on our Q1 P&L has been limited, with extra costs primarily in Nigeria. If high fuel prices persist, we should expect greater pressure in Q2, potentially partially offsetting the savings from our 3PL rates in renegotiations. That said, our strategy of building pickup stations throughout countries is very helpful in this regard, as it means that we have already de-correlated a significant share of our delivery costs from fuel prices.

In particular, 74% of our shipped packages are fulfilled through pickup stations rather than door delivery in Q1 '26, up from 67% in Q1 '25 both adjusted for perimeter effects. We have also taken steps to electrify our last mile delivery fleet in Uganda, and we are looking to replicate this successful pilot in more countries as we continue to reduce our dependence on fuel in logistics operations.

'25 was the year when we showed that our business model is on the right track. It delivered growth and improved economics at the same time. '26 is the year when we intend to show that this model will take us to profitability. In this regard, Q1 is a strong data point that is consistent with Q4 '25 trends. We see sustained growth despite an uncertain environment, continued operational leverage, and improved unit economics across the whole P&L, resulting in significantly reduced losses.

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We are committed to delivering the trajectory to break even by chasing more scale in a disciplined way, improving operational execution, and further streamlining our fixed cost base. While we are currently navigating an uncertain international environment, we believe that our business fundamentals, which were rebuilt from '22 to '25, mostly in much tougher times than this are strong. We do expect some temporary disruption, but it does not change our midterm profitability targets or our belief in Jumia's long-term opportunity for growth.

With that, I will now turn the call over to Antoine to walk you through the financials in more details.

**Antoine Maillet-Mezeray - EVP Finance & Operations, Jumia Technologies AG**

Thank you, Francis, and thank you everyone for joining us today. I will now walk you through our financial performance for the first quarter.

Starting with revenue, first quarter revenue reached \$50.6 million, up 39% year-over-year or up 28% on a constant currency basis. Results reflect sustained customer demand and consistent execution across our platform. Marketplace revenue for the first quarter totaled \$27 million, up 50% year-over-year and up 35% on a constant currency basis.

Third-party sales were \$23.2 million, up 45% year-over-year or up 31% on a constant currency basis. Growth was driven by solid performance in the marketplace, including healthy usage trends and higher effective take rates. Marketing and advertising revenue was \$2.2 million, up 44% year-over-year or up 31% on a constant currency basis. The improvement was driven by continued growth in sponsored products, supported by strong tools rolled out in mid-2025 that increased seller adoption, improved return on ad spend, and drove greater density and competition on our marketplace.

With advertising revenue currently representing roughly 1% of GMV, as we are improving this figure, we see meaningful opportunity to scale this profitable source of revenue. Value-added services revenue was \$1.7 million in the first quarter of 2026, compared to \$0.6 million in the first quarter of 2025, driven by strong growth in warehousing fees, reflecting higher volumes flowing through our storage infrastructure, largely driven by demand from Chinese sellers and improved monetization of our warehousing services. Revenue from first party sales was \$23.1 million, up 30% year-over-year or up 21% year-over-year on a constant currency basis, driven by strong momentum with key international brands.

Turning to gross profits. First quarter gross profit was \$29.4 million, up 48% year-over-year or up 33% year-over-year on a constant currency basis. Gross profit margin as a percentage of GMV increased by 160 bps to 13.9% for the quarter, compared to 12.3% in the first quarter of 2025, reflecting continued progress in marketplace monetization.

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As we enter 2026, we implemented broad-based increases in commissions across most countries, leveraging the scale and improved service levels we have built with sellers. Q1 2026 was already tracking the expected impact, with gross profit margin expanding by 160 bps year-over-year, marketing and advertising revenue up 24%, and value-added services revenue nearly tripling. We expect these trends to continue supporting gross profit growth going forward.

Now moving to expenses. We continued to see the benefits of our cost initiatives in the first quarter, with additional improvements expected to materialize over the coming quarters. Fulfillment expense for the first quarter was \$12.2 million, up 29% year-over-year and up 17% in constant currency, primarily due to higher volumes.

Fulfillment expense per order, excluding JumiaPay app orders, was \$2.06, flat year-over-year or down 10% year-over-year on a constant currency basis, reflecting productivity gains and economies of scale in fulfillment operations, increased call center automation, and improved logistics partner rates.

Sales and advertising expense was \$5.1 million for the first quarter, up 64% year-over-year and up 54% in constant currency. We view this increase positively. We are scaling high ROI marketing investment on the back of stronger product fundamentals, improved quality of service and higher platform reliability, driving not only top line growth, but also better unit economics and higher volumes and improved customer retention contribute directly to operating leverage and margin improvement.

Technology and content expense was \$8.9 million for the first quarter, representing a decrease of 8% year-over-year or a decrease of 10% on a constant currency basis, driven primarily by continued headcount optimization and ongoing renegotiated seller contracts. First quarter G&A expense, excluding share-based compensation expense was \$16.8 million, up 4% year-over-year and down 3% on a constant currency basis.

The year-over-year increase was primarily driven by staff costs with general and administrative expense, excluding share-based compensation expense, which increased by 16% to \$9.1 million, driven by approximately \$0.8 million in one-time termination benefits related to our Algeria exit and the appreciation of local currencies against the U.S. dollar compared to the first quarter of 2025.

We continue to streamline the organization. The total headcount has declined by 8% since December 31, 2024, with just over 1,980 employees on payroll as of March 31, 2026. At the end of the fourth quarter of 2022, when current leadership was installed, we had 4,318 employees. We are actively working to further reduce headcounts, continue process automation and leverage AI tools. We expect to reduce our headcount by at least an additional 200 full-time employees over the next two quarters.

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More broadly, AI and automation are becoming meaningful drivers of efficiency across Jumia. We are deploying AI tools across core operations, finance processes, headcount efficiency programs in our technology organization, encompassing cybersecurity monitoring and software development, which supported a net FTE reduction and raw efficiency gains year-over-year.

Importantly, AI is also helping us solve problems on the ground. In logistics, it improves routing and reduces failed deliveries. In customer services, it enables faster resolution with fewer agents. And in sellers operation, it streamlines onboarding and compliance monitoring. This is not only reducing cost, but also improving the quality of service we deliver to customers and sellers, reflecting our ongoing commitment to structural cost efficiency.

Turning to profitability, adjusted EBITDA for the quarter was negative \$10.7 million or negative \$10.9 million on a constant currency basis. Loss before income tax was \$17.8 million, an 8% increase year-over-year or 21% decline on a constant currency basis, primarily reflecting non-cash foreign exchange losses.

Turning to the balance sheet and cash flow. We ended the first quarter with a liquidity position of \$62.6 million, including \$61.5 million in cash and cash equivalent and \$1.1 million in term deposits and other financial assets. Our liquidity position decreased by \$15.3 million in Q1 2026 compared to a decrease of \$23.2 million in Q1 2025. Net cash flow used in operating activities was \$12.5 million in the quarter, including a broadly neutral working capital contribution. The improvement reflects the continued strengthening of our marketplace flywheel, driven by higher volumes, improved payment flows, and stronger bargaining power with large third-party accounts.

In summary, we delivered another quarter of solid execution and strong top line growth, while continuing to improve cost efficiency. Progress on structural cost reductions, automation and cash discipline reinforces our confidence in meeting our near term objectives and moving closer to profitability.

Looking ahead, we remain focused on operational discipline, margin expansion and prudent and informed capital allocation, positioning Jumia for sustainable growth and long-term value creation.

I now turn the call back over to Francis for a discussion of our updated guidance.

### **Francis Dufay - CEO, Jumia Technologies AG**

Thank you, Antoine. Let me now turn to our expectations for 2026. Our focus for '26 remains on accelerating growth, driving further operating efficiency and continuing our progress towards profitability. We are seeing continued strong momentum validated by our Q1 results, which give us confidence in reaffirming our full-year '26 outlook. We are navigating an evolving international environment. While we expect

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some temporary disruption from memory chips and CPU price pressures and the ongoing conflict in the Middle East, our business fundamentals are strong.

Our Q1 '26 results demonstrate continued execution, and we have not changed our midterm profitability targets or our belief in Jumia's long-term opportunity for growth. For the full-year '26, we anticipate GMV to grow between 27% to 32% year-over-year, adjusted for perimeter effects.

On profitability, we expect adjusted EBITDA to be in the range of negative \$25 million to negative \$30 million. We confirm our strategic goal to achieve breakeven on an adjusted EBITDA basis and positive cash flow in the fourth quarter of '26, and to deliver full-year profitability and positive cash flow in '27. Looking specifically at the second quarter, GMV is projected to grow between 27% and 32% year-over-year, adjusted for perimeter effects.

Thank you for your attention. We'll now be happy to take your questions.

### **Operator**

Certainly. At this time, we will be conducting a question-and-answer session. [Operator Instructions]. Your first question for today is from Jack Halpert with Cantor Fitzgerald.

**Q:** Thanks, guys for taking my question. I just have two please. So on the memory chip inflation, are you maybe able to quantify this at all in terms of the impact in the quarter and maybe how much of this has been resolved already versus expected to continue in 2Q and beyond? Is it more about consumers like deferring purchases, trading down, or is it more of a supply availability issue? That's the first question. And then the second question, just on the AI efficiency you guys mentioned and I think the planned 200 reduction in headcount. First, just how much of this headcount reduction is tied to the Algeria exit, if at all?

And then maybe on the AI side, what are a few examples of areas you're seeing the most efficiency in the business from AI currently? Thanks.

### **Francis Dufay - CEO, Jumia Technologies AG**

Hi, Jack. Let me take those two questions, and Antoine will also comment on the AI impact across our business. Starting with memory chips, CPU prices inflation. So to quantify the impact, you can look at our presentation where we show the share of smartphones category in our mix. You'll see the whole smartphones category, I mean is directionally about 15% of all sales in GMV. This is usually a category with lower unique contributions. It's lower margins than, let's say, fashion for example. So it definitely has, I mean it's not 15% of our gross profit, as you can imagine. It's not the whole category that's in danger. Obviously, it can impact the growth of the category, and it has in the first quarter.

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It's likely to continue in the second quarter. We're not talking of a major impact over the whole top line of Jumia, okay? It's something that we have to flag because it's a global trend, and it's relevant for our business. But we're talking impact on a fraction of our total business, and it will not wipe out like half of the sales, obviously. It's limited, and most importantly, we see it as temporary. The timing here is that we had delayed impact, really. A lot of people asked us question, sorry, late 2025 and in the first month of 2026, really not much was changing on the market at this time.

And then prices, the price increase of directionally 20% that we've mentioned on entry-level smartphones was mostly felt in the month of March across key countries. So that's directionally what happened. We believe it's a matter of timing. I mean, we're used to those kind of supply disruptions and market reorganizations. So it doesn't last forever, but we know that for a couple of months, supply may be disrupted. Some brands may be doing better, and some brands may be more disrupted, which we're seeing on the market. Some brands will be running out of stock. Some brands will still be available with sometimes lower price increases. For example, we see that Samsung has had lower price increases because they have much better integration of the whole supply chain.

Basically, we see it as temporary disruption as the supply chain reorganizes. And when it comes to consumer impact, which you were asking, we see a mix of both, right? We see a mix of course, prices increasing, so consumers are trading down. I mean, people are still buying smartphones. That will never change. They're buying lower specs with the same amount of money in their pocket.

And on the other hand, we also see supply, I mean, pure supply, availability issues on very specific brands in very specific markets. So as we mentioned earlier in the call, we've been more impacted in the Ivory Coast for example, than in Kenya in terms of pure supply availability.

So all of that is having an impact, some level of impact, but we see it as clearly temporary. It's not, I mean it's not a long-term challenge. We'll keep on selling smartphones, and the market will reorganize. And what matters is that we have access to the best supply, the best prices, and our distribution is a huge advantage when it comes to selling smartphones across Africa. And then to your second question about headcount, the 200 target is not tied to Algeria. So most of the impact on Algeria is already behind us. So the 200 headcount reduction that we mentioned has nothing to do with the exit from Algeria. Antoine, do you want to comment on the use of AI across our business?

**Antoine Maillet-Mezeray - EVP Finance & Operations, Jumia Technologies AG**

Yes, I can take this one. Thank you. Obviously, we're using AI in tech, be it in cybersecurity or coding. We are able to be much, much more productive thanks to the different tools that we are using. We pay a lot of attention to be agnostic in terms of tools so that we don't end up with one or two suppliers that will change pricing policy overnight. But we are going much further than pure tech. We're using

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AI in accounting, for instance to automate bank reconciliations. If you want a very pragmatic example, we're also using AI in HR.

Basically, we have a lot of database which are very structured and ready to be used, consumed by AI, allowing us to produce smarter reporting in a much faster way, and being able to share the information across our very large footprint, resulting in better efficiency.

**Q:** Awesome. Thank you, guys.

**Operator**

Your next question is from Brad Erickson with RBC Capital Markets.

**Q:** Hey, guys. Just a couple follow-up on that first question. I guess with maintaining the full-year guide, looks like maybe a little bit of deceleration built in there through the year. I guess, would you say that outlook kind of reflects this idea that, some of these headwinds you're talking about are sort of dynamic and adjusting and reflected in Q2. But then sort of stabilize through the year? Or is there any contemplation in the range that maybe things get worse?

**Francis Dufay - CEO, Jumia Technologies AG**

Well, in the current international environment, if Brad, if you know for sure what's going to happen, please tell me. So we could make a lot of money. Well, more seriously, we acknowledge some level of uncertainty in the international environment with very specific aspects that can have a negative impact on our P&L. We mentioned chips prices and fuel prices. We remain confident in the range that we have given as guidance for the full-year and for the second quarter. I mean, it covers, it includes some level of uncertainty. But I think it reflects, I mean the fact that we stabilize that range, reflects our opinion that most of the disruption we're seeing is temporary.

So we're seeing real headwinds like, the demand side headwinds in the Ivory Coast due to cocoa prices is real and can be felt on the ground. Smartphones price increases and supply disruption is real and can be felt on the markets. But we all see that as quite temporary and really not disrupting the fundamentals of our business, neither the midterm or long-term opportunity. And we also seeing continued strength in the trends in several countries, especially Nigeria, which is still growing over 40%, Ghana, which is growing over 100%. So in short, those headwinds and, I mean, that level of uncertainty is not structurally challenging our business, and it's not something we expect for the long run.

This range of 27% to 32% top line growth that we're giving for the second quarter as well, is our best assessment in the current environment based on the early results of the quarter that we're already seeing and reflects the level of confidence in our business model.

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**Q:** Got it. And then you called out marketing and being a strong point in your prepared remarks. I guess just within your outlook, how much kind of flexibility do you think you have on marketing, giving some of these other headwinds you're talking about? And I guess how much kind of like offense do you feel like you can play here in 2026 in terms of putting your foot down on marketing or is it still fairly measured given how some of the macro factors you're talking about? Just kind of the upside/downside considerations there with marketing spend? Thanks.

**Francis Dufay - CEO, Jumia Technologies AG**

I think three things on the marketing side. So first of all, I think we remain at spend ratios that are very reasonable for an e-commerce company of our size. Our ratio spend is slightly lower than much, much bigger players in emerging markets, which shows frugality and efficiency in that field. We were very, I mean, we're confident in our ability to spend very efficiently our marketing budget and driving strong returns. Second, we still have major improvements coming over the year in terms of efficiency and the better use of our marketing channels, especially online. And third, we are very reactive as well. A large part of those budgets are spent on online channels where it's very easy to pilot on a monthly, weekly, daily basis.

So we are able to make decisions if needed, if we see low attraction in a given market. We're very dynamic in relocating budgets when we need to on a daily or weekly basis. At this stage, we believe we still have -- I mean we do have sufficient traction, and that justifies the amount that we're spending. But we are very flexible, and we can be extremely reactive if we see different trends.

**Q:** Got it. And then one last one. Just when you think about the journey to cash flow positive in the next year, you talked about the headcount reduction here in the next few quarters. Besides that, what are kind of some of the major pain points on reaching that goal, that you feel like you still have to get through?

**Francis Dufay - CEO, Jumia Technologies AG**

You mean the goal of cash flow positive?

**Q:** Correct.

**Francis Dufay - CEO, Jumia Technologies AG**

I would not talk about pain points. I mean, I let Antoine comment as well, but I think the path is pretty clear, right? I mean, if you look at our numbers, now it's not just us talking. You have very clear verifiable numbers showing that we're able to scale, we're able to improve the unit economics, get operating leverage and further reduce the fixed costs. So there's a very clear trajectory that takes us to break even. It's mostly an execution game. I would not say we have blockers or pain points. We know very much what we're working on. We need to keep on scaling the top line

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and keep on delivering those improvements in the unit economics and further reducing in absolute terms the fixed costs.

I think you can see a clear trajectory in the last two quarters. It's extremely consistent. It's all about execution. Unless there would be a major macro disruption that we're not seeing at this stage, it's really about execution.

**Q:** Understood. Thank you.

### **Operator**

Your next question for today is from Ryan Sigdahl with Craig-Hallum.

**Q:** Hey, guys. Very nice quarter and execution. Laundry list of, let's call them crosswinds, some headwinds, in Q1 into Q2. Outside of those, it feels like the business is actually outperforming because you reiterated the guide, the outperforming Q1, Q2 guide is in line despite kind of all of those challenges. So I guess trying to take a step back and maybe normalizing for a lot of those outside factors, how you feel about the progress thus far in the year, internally?

### **Francis Dufay - CEO, Jumia Technologies AG**

Yes. Thanks, Ryan, for putting it this way. I mean, Antoine and I are very deeply in the business, and it's sometimes good to step back and realize the progress. I mean, we have a tendency to look more at the problems than at the successes, it's how we manage to push it forward. But, yes, I think there are very clear bright side this quarter. It's very clear, and that's what you see in our presentation on the operating leverage. We see that we, again, this quarter, just like in the fourth quarter of 2025, we're able to show significant GMV growth, so the business model is working, while clearly improving all the unit economics.

So 31% GMV growth, that translates into a significant improvement of 64% of all gross profit after fulfillment and marketing costs. So that's real operating leverage, and we're able to further reduce our fixed costs, thanks to pretty hard work on tech, specifically this quarter, but also a lot happening in G&A that will pay off in the coming quarters.

You see the 32%, the one third, the 32% improvement in adjusted EBITDA. I mean, the key message of this quarter is we're able to show very consistent improvement after Q4, with significant growth that's sustained in spite of the environment and continued progress on the unit economics and fixed costs and we expect that to continue. There's no reason why the trends to change in the coming quarters.

**Q:** Very good. We've noticed, you mentioned Nigeria strength. We've noticed an expanded pickup station footprint there, particularly in secondary cities. Can you talk about Nigeria, but also, you mentioned it in Kenya and others, but kind of the upcountry expansion, how you think about that strategy with pickup stations, and

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then if maybe that strategy has evolved or changed, in recent kind of months as you guys have right-sized the cost structure, infrastructure and overall company.

**Francis Dufay - CEO, Jumia Technologies AG**

Yes. I'll talk about Nigeria right afterwards, but overall across countries, we keep on expanding our reach, basically opening new pickup stations in new cities that we're not covering or densifying the network in existing bigger cities. This is a very important component of our growth plan because it basically increases the addressable market, right? We are building our distribution network and partnering with local entrepreneurs, I mean, if we do not build the distribution network in a given city, it means that city is outside of our addressable market. By expanding this network of pickup stations, we are increasing our addressable market, which is arguably one of the easiest and cheapest ways to grow our top line. This is happening across all countries. Nigeria is the most striking example.

A few months back, in Nigeria, we were still covering about one-third of the addressable market of the population. If we looked at the cities where we had this established distribution, it, total population was about one-third of total population, which leaves massive room for improvement. In our more mature markets, we're close to 60% in Ivory Coast, for example. It gives you an idea of the potential that's still untapped in a country like Nigeria. I mean, we're happy about the growth in Nigeria. We believe we can still get more than that. The growth in Nigeria is largely driven by upcountry, so distribution expansion. That's a big driver.

We're also seeing very favorable trends across categories and supplies. We mentioned home and living as a strong category this quarter in Nigeria. We're seeing strong engagement on our local marketplace. We're seeing increased supply from international vendors, mostly from China, but also from Turkey in Nigeria. I think we have lots of tailwinds in Nigeria, and the hard work of the past couple of years is really paying off, which is critically important in a market where, first of all, there's so much potential to address. Second, the competitive intensity has reduced around us. Third, and quite importantly, it's a market where we have good unit economics. After, especially after the devaluations over the past few years, local unit costs are fairly low and, well, it's quite profitable to scale in Nigeria, to put it this way.

**Q:** Setting times. Well done, guys. Thanks.

**Francis Dufay - CEO, Jumia Technologies AG**

Thanks, Ryan.

**Operator**

Your next question is from Fawne Jiang with The Benchmark Company.

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**Q:** Thanks for taking my questions. First of all, your international seller growth appeared very strong. Just wonder how should we think about the merchants ramp up, and the typical lead time from onboarding to more meaningful GMV contribution, particularly considering, you know, you are opening a new sourcing center in Yiwu, and how would that potentially impact your take rate going forward?

**Francis Dufay - CEO, Jumia Technologies AG**

Hi, Fawne. That's an important question, I guess. How can I put it? The growth we're seeing today, in volumes, items sold and whole business from international sellers, is actually the result of the last three to four years of work. Typically, the timelines when a supplier, when a new Chinese vendor is onboarded, we expect meaningful contribution after more than one year, sometimes two years or more, to deliver volumes and margins. It's because we onboard vendors who don't always, I mean, don't know very well our markets. They need to test the waters first. They send small supply to the countries, and then gradually they will scale their inventory in our most important countries. This process does take time.

They learn the market, and they commit more and more working cap and inventory to our countries. What you see today is really the result of like three to four years of real hard work. What you see on the ground in China, I mean, since the whole tariffs thing last year, we've seen like strong, I mean, much stronger enthusiasm and strong engagement with Chinese vendors. We've seen more and more vendors willing to join our platform and sell on Jumia. The trend has been very well maintained over the past quarters and still consistent now. This increased volumes of onboarding of vendors is going to reflect over time, but is not yet fully felt in the numbers.

The good news here is that we really have a pipeline of vendors and a pipeline of supply coming to Africa that will get, and it should get stronger over time due to the medium to long-term structural nature of the work we're doing with our Chinese vendors. In terms of margins, as we mentioned in the past, the rise of international so international supply is accretive to our margins. These vendors typically operate in categories that have highest, higher, sorry, gross profit ratios such as fashion, accessories, home and living, and so on. They are also much better contributors to our margins when it comes to purchasing advertising services and using our storage services.

At the end of the day, it enables us to get higher monetization from those sellers than from the local marketplace.

**Q:** Understood. Thanks. another, I guess, topic I want you to touch point is actually your fulfillment leverage. You guys continue to show the leverage there. Just given you are going through very high growth, momentum, especially in, you know, some of the countries, how sustainable is the, I think, the fulfillment leverage? Are any logistic capacity constraints or upcoming investment that we should be mindful?

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## **Francis Dufay - CEO, Jumia Technologies AG**

Thanks, Fawne. I spent some time on fulfillment. It's an important front because it's our biggest cost bucket. First of all, I mean, we still seeing some leverage on cost this quarter, with the fulfillment cost per order that's declining 10% in local currency, and it's almost all local OPEX, so the local currency view is relevant. We're not happy with the progress, right? In dollars we're flat year-over-year at \$2.1 per gross order. We want to do better than that. Just to set the stage, we're not happy with the progress here, although there is some leverage that's visible in local currency.

We believe those costs per order should keep on going down going forward, and scale should play in our favor. There can be very specific temporary cases where like very high volumes lead to some level of inefficiency, but that's really not what should happen across countries and over the long run. Looking specifically at the, at the improvements and the leverage we have on the, on the, on that fulfillment cost per order, we have a lot of work that has been ongoing over the past two quarters already. On fulfillment staff cost, which is about one-third of the cost here, we have a big push for tight, higher productivity and more automation.

We're rolling out at the moment, for example, new tools at the warehouse to increase productivity and tracking of the workforce. We believe we have some potential to improve there. On the transport side, which is around 2/3 of the fulfillment staff cost, about 60%. On transport, which is basically all the money we're paying to our local logistics partners, we have recently implemented a renegotiation of all the fees. I mean, a reduction of all the fees. Some of that will be partly offset by the fuel price increases, which will lead to surcharges in some countries. Over the long run, as prices will normalize, we expect the surcharges to go away.

We are working to improve also the efficiency of our local partners for logistics so we can renegotiate their fees. We're working on new tools to make middle mile trucking more efficient for our partners, so we're able to split the savings with them, this will be operational later this year. We still have a lot to do, and we still have a lot of efficiencies to capture there. It's a lot of hard work, right? We're using more and more AI to make it more efficient in supply chain as well. Part of it depends on tech progress which we're seeing on the ground. Scale should be a tailwind in this regard. Yes. I hope that answers the question.

**Q:** Yes, that's very helpful. Lastly, more like housekeeping, can you provide some color on the FX, latest FX trends, for your key countries?

## **Francis Dufay - CEO, Jumia Technologies AG**

Yes. Antoine, you want to take FX?

## **Antoine Maillet-Mezeray - EVP Finance & Operations, Jumia Technologies AG**

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Yes. You can see that we had a disconnect between the progress we made on the big adjusted EBITDA basis and the net loss before tax. This was driven by Forex exchange, which was non-cash. If you compare to Q1 2025 last year, we had a net FX gain of \$2.1 million, and this year we have recorded a loss of \$3.5. Again, that swing is not cash-based. There is no cash impact. This reflects the impact of FX swing on intercompany balances that we have between the top holding and the operations. We are working actively on this one to reduce the impact of the Forex by accelerating repatriating cash and other restructuring operations.

This was from the finance and accounting parts. On the business side, before Francis comments, if you want, we see some impact, but what is important for us is that the movement are not too violent so that our vendors do not hesitate to import in the countries, which has been the case this year. So far we are able to handle properly the FX swing that we are seeing.

**Francis Dufay - CEO, Jumia Technologies AG**

Yeah. I'll just add briefly on that. We've seen huge swings in FX over the past four years across all key countries like Nigeria and Egypt. There's no such thing happening right now. Our local currencies have been behaving much more strongly over the past few months. As Antoine mentioned, the most important part here is that it's not impacting suppliers' confidence. It's not impacting customers' purchasing power in any significant ways. We're not seeing any disruption in the business because of this.

**Q:** Understood. Thank you both.

**Operator**

Understood. Thank you both. We have reached the end of the question-and-answer session and conference call. You may disconnect your phone lines at this time. Thank you for your participation.